

# Alternative Fuel Vehicles, Refueling Form Equipment, and Refueling Stations

**Arizona**

**313**

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## General Instructions

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If you have questions, please call one of the following help numbers:

Phoenix	(602) 255-3381
Nationwide, toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
Other Arizona areas, toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
Other Arizona areas, toll-free	(800) 397-0256

You may also visit our web site at:  
**[www.revenue.state.az.us](http://www.revenue.state.az.us)**

Arizona law allows a subtraction for converting conventional vehicles to alternative fuel vehicles, and for purchasing alternative fuel vehicles or purchasing alternative fuel refueling equipment. Arizona law also allows a credit for alternative fuel vehicles or alternative fuel fueling stations.

If eligible for both the subtraction and the credit, you may now take both a subtraction and a credit for the same alternative fuel vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for any vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel.

Use this form to figure your alternative fuel vehicle and refueling equipment subtraction. Also use this form to figure your alternative fuel vehicle and alternative fuel fueling station credit.

An alternative fuel vehicle is a vehicle that is primarily propelled by an alternative fuel. The vehicle must be self-propelled and registered and titled in Arizona for operation on highways. Vehicles like golf carts, (even if used as a means of secondary transportation), motorized wheelchairs, or vehicles designed primarily for agricultural purposes are not alternative fuel vehicles for this subtraction or credit. Alternative fuel vehicles also do not include vehicles like fork-lifts that are not designed primarily for operation on highways.

For a vehicle to qualify for a subtraction or a credit, the vehicle must meet one of the following:

1. The vehicle is certified to meet at a minimum the United States Environmental Protection Agency low emission vehicle standard under 40 Code of Federal Regulations section 88.104-94, or 88.105-94.

2. The vehicle meets the requirements of the addendum to memorandum 1-A, issued by the United States Environmental Protection Agency, as printed in the Federal Register, Volume 62, Number 207, October 27, 1997, pages 55636 through 55637.
3. The vehicle is the subject of a waiver for that specific engine application from the United States Environmental Protection Agency's Memorandum 1-A requirements and that waiver is documented to the reasonable satisfaction of the Arizona Department of Commerce, Energy Office.

If you have questions about whether your vehicle meets one of these requirements, contact the manufacturer of your vehicle.

**NOTE:** *If you are eligible for the credit or subtraction from more than one source (e.g., direct investment, flow-through from a partnership or S corporation), complete a separate Form 313 for each source. Enter the aggregate amounts from all Forms 313 on Arizona Form 300 or Arizona Form 301.*

### Alternative fuel is:

- Liquefied petroleum gas
- Natural gas
- Hydrogen
- Electricity
- Solar energy
- Alcohol fuels that contain not less than 85 percent alcohol by volume. Alcohol fuels are an alternative fuel only for vehicles that used alcohol fuels before January 1, 1998.
- An emulsion of water-phased hydrocarbon fuel that contains not less than 20 percent water by volume and that complies with any of the following:
  1. The fuel is used in an engine that is certified to meet at a minimum the United States Environmental Protection Agency low emission vehicle standard under 40 Code of Federal Regulations Section 88.104-95, or 88.105-94.
  2. The fuel is used in an engine that is certified by the engine modifier to meet the addendum to memorandum 1-A of the United States Environmental Protection Agency.
  3. The fuel is used in an engine that is the subject of a waiver for that specific engine application from the United States Environmental Protection Agency's memorandum 1-A addendum requirements and that waiver is documented to the reasonable satisfaction of the Department of Commerce, Energy Office.

- A combination of at least 70 percent alternative fuel and not more than 30 percent petroleum based fuel and that operates in an emission vehicle standard under 40 Code of Federal Regulations Section 88.104-95, or 88.105-94 and is certified by the engine manufacturer to consume at least 70 percent alternative fuel during normal vehicle operations.

## Line-by-Line Instructions

Enter the names and taxpayer identification numbers (TIN) as shown on Form 140, 140PY, 140NR, 140X, 141, 120, 120S, 120X, or 165. Fiscal year basis taxpayers must indicate the period covered by the taxable year. Attach the completed form to the tax return.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the preparer TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

## Part I: Subtraction Computation

Only individuals, partnerships, corporations (other than S corporations), estates and trusts may take this subtraction. An S corporation cannot take this subtraction.

**NOTE:** *If eligible for both the subtraction and the credit, you may now take both the subtraction and the credit for the same alternative fuel vehicle.*

You may qualify to take this subtraction if you did any of the following.

1. Purchased a new alternative fuel vehicle for use in Arizona.
2. Converted a conventional fuel vehicle to an alternative fuel vehicle for use in Arizona.
3. Purchased and installed alternative fuel vehicle refueling equipment on your property in Arizona.

Individuals may also subtract 50 percent of the personal interest related to a qualified purchase or conversion that was for private noncommercial use. The total subtraction is the sum of the amounts allowed to be subtracted for each item.

To figure your subtraction, complete Part I, lines 3 through 32 and Part III.

## Subtraction for Purchasing a New Alternative Fuel Vehicle

You may take a subtraction for purchasing a new alternative fuel vehicle for use in Arizona. You cannot take a subtraction for purchasing a used alternative fuel vehicle.

The subtraction for purchasing a new alternative fuel vehicle is equal to 25 percent of the purchase price for one or more vehicles but cannot exceed \$10,000 for each vehicle. For the purpose of this subtraction, the purchase price does not include taxes, interest, and other finance charges.

You must allocate and apply one-third of the subtraction to each of three consecutive taxable years beginning with the taxable year in which you purchased the vehicle. If you convey the title to the vehicle to another individual, corporation, partnership, estate, or trust, you cannot take the subtraction for any subsequent taxable year.

### Line 3 -

Enter the number of new alternative fuel vehicles you purchased during the taxable year for which you are taking a subtraction. If you are taking a subtraction for more than four new vehicles, complete additional schedules.

### Line 4 -

Enter, in each column, the purchase price for each vehicle. Do not include taxes, interest, or other finance charges.

### Line 5 -

Multiply each column in line 4 by 25 percent. Enter the result.

### Line 6 -

Enter the amount on line 5 or \$10,000, whichever is less.

### Line 7 -

**NOTE:** *Before you can complete line 7, you must complete Part III of Form 313.*

Before you can figure your total subtraction for any single vehicle, you must also figure your credit for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine what amount to enter on line 7. Enter the amount unallowable from Part III, line 6.

### Line 8

Subtract line 7 in each column from line 6.

### Line 9 -

Add the amounts on line 8 for each column. Enter the total.

**Line 10 -**

If you completed additional schedules because you are taking a subtraction for more than four new alternative fuel vehicles purchased during the taxable year, enter the aggregate line 9 totals from your additional schedules.

**Line 11 -**

Add lines 9 and 10. Enter the total.

**Line 12 -**

Divide the amount on line 11 by the number 3. Enter the result.

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**Subtraction for Converting Conventional Vehicles to Operate as Alternative Fuel Vehicles**


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You may take a subtraction for converting a conventional vehicle to operate as an alternative fuel vehicle for use in Arizona.

The subtraction for converting a conventional vehicle to operate as an alternative fuel vehicle is equal to the cost of the conversion but cannot exceed \$5,000 for each vehicle. For the purpose of this subtraction, the cost of conversion does not include taxes, interest, and other finance charges.

You must allocate and apply one-third of the subtraction to each of three consecutive taxable years beginning with the taxable year in which you converted the vehicle. If you convey the title to the vehicle to another individual, corporation, partnership, estate or trust, you cannot take the subtraction for any subsequent taxable year.

**Line 13 -**

Enter the number of conventional vehicles that you converted to operate as an alternative fuel vehicle during the taxable year for which you are taking a subtraction. If you are taking a subtraction for more than four converted vehicles, complete additional schedules.

**Line 14 -**

In each column, enter the cost of converting each conventional vehicle to operate as an alternative fuel vehicle. Do not include taxes, interest, or other finance charges.

**Line 15 -**

Enter the amount on line 14 or \$5,000, whichever is less.

**Line 16 -**

<p><b>NOTE:</b> Before you can complete line 16, you must complete Part III of Form 313.</p>
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Before you can figure your total subtraction for any single vehicle, you must also figure your credit for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle

compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine what amount to enter on line 16. Enter the amount unallowable from Part III, line 12.

**Line 17 -**

Subtract line 16 in each column from line 15.

**Line 18 -**

Add the amounts on line 17 for each column. Enter the total.

**Line 19 -**

If you completed additional schedules because you are taking a subtraction for more than four vehicles that you converted during the taxable year, enter the aggregate line 18 totals from your additional schedules.

**Line 20 -**

Add lines 18 and 19. Enter the total.

**Line 21 -**

Divide the amount on line 20 by the number 3. Enter the result.

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**Subtraction for Refueling Equipment**


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You may take a subtraction for purchasing refueling equipment (including storage tanks) for your use, for installation on your property in Arizona. You may take the subtraction in the year in which you have the refueling equipment installed. The subtraction is equal to the purchase price of the equipment, but cannot exceed \$5,000. For the purpose of this subtraction, the cost of refueling equipment does not include taxes, interest, and other finance charges.

You must allocate and apply one-third of the subtraction to each of three consecutive taxable years beginning with the taxable year in which you had the equipment installed.

**Line 22 -**

Enter the cost of the refueling equipment purchased for your use that you had installed during the taxable year on your property in Arizona. Do not include taxes, interest, or other finance charges.

**Line 23 -**

Enter the amount on line 22 or \$5,000, whichever is less.

**Line 24 -**

Divide the amount on line 23 by the number 3. Enter the result.

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**Subtraction for Interest**


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The subtraction for interest is for individual taxpayers only. All other taxpayers enter zero on line 25.

If your purchase or conversion was for your private noncommercial use, you may subtract some of the personal interest you paid or incurred during the taxable year.

You may subtract 50 percent of the interest you paid or accrued during the taxable year to purchase a new alternative fuel vehicle for your noncommercial personal use. You may also subtract 50 percent of the interest you paid or accrued during the taxable year to convert a conventional fuel vehicle to operate as an alternative fuel vehicle for your noncommercial personal use.

If you are a cash basis taxpayer, you may only subtract 50 percent of the qualifying amounts actually paid during the taxable year. If you are an accrual basis taxpayer, you may subtract 50 percent of the qualifying interest accrued during the taxable year.

### Line 25 -

Enter 50 percent of your qualifying interest.

### Line 26 - Current Taxable Year Subtraction

Add the amounts on lines 12, 21, 24, and 25. Enter the total.

### Subtraction From Prior Taxable Years Allocated to Current Taxable Year

You must allocate and apply one-third of the total allowable subtraction for items 1 through 3 below to each of three consecutive taxable years.

1. Purchasing a new alternative fuel vehicle or vehicles.
2. Converting conventional vehicles to operate as alternative fuel vehicles.
3. Purchasing qualifying refueling equipment.

Use lines 27 through 31 to determine the portion of the total allowable subtraction for purchases or conversions made in prior taxable years that is allocable to the current taxable year.

### Line 27 -

In the applicable column enter the ending date of the taxable year from which you are allocating the subtraction.

### Line 28 -

In column (a) and column (b), if applicable, enter one-third of the subtraction allowable from the prior taxable year(s). For taxable years 1996 and 1997, this is the sum of the amounts shown on Part I, lines 10, 17, and 20, of the Arizona Form 313 filed with your Arizona income tax return(s) for those taxable years.

### Line 29 -

If you conveyed the title to your qualifying vehicle to another individual, corporation, partnership, estate, or trust, you cannot take the subtraction for that vehicle in any subsequent taxable year.

Enter the unallowable amount on line 29. Attach a schedule to your return that shows your computations and identifies each vehicle for which you computed an unallowable amount. In order to properly identify each vehicle, your schedule must show both of the following.

1. The taxable year in which you purchased or converted your qualifying vehicle.
2. The vehicle number under which you listed the vehicle on the Form 313 for the first taxable year in which you claimed the subtraction for that vehicle.

The following example will illustrate how to compute the unallowable amount.

Example:	
John, an individual taxpayer, purchased two new qualifying alternative fuel vehicles during 1996 at a cost of \$36,000 each, for a total cost of \$72,000. For the 1996 taxable year, John computed a total subtraction of \$18,000 (\$9,000 for each vehicle). Since John could only take one-third of the total \$18,000 subtraction on his 1996 return, John took a subtraction of \$6,000 on his 1996 return.	
During December of 1996, John sold vehicle # 1 to another individual. Since John does not own vehicle #1 any longer, John cannot take the remaining two-thirds of the original \$9,000 subtraction allowed for vehicle #1. John computes the unallowable amount for vehicle #1 as follows:	
Vehicle #1 subtraction	\$ 9,000
Less amount taken for vehicle #1 in 1996	3,000
Total unallowable amount	\$ 6,000
Since John may still take a subtraction for vehicle #2 on his 1997 and 1998 Arizona returns, John must allocate the unallowable amount for vehicle #1 between taxable years 1997 and 1998 as follows.	
Unallowable amount allocable to 1997	\$ 3,000
Unallowable amount allocable to 1998	\$ 3,000
Since \$3,000 of the unallowable amount is allocable to 1998, John will enter \$3,000 on Part I, line 29, column (a) of his Arizona Form 313.	

### Line 30 -

In column (a) and column (b), if applicable, subtract line 29 from line 28. Enter the result in the applicable columns on line 30.

### Line 31 -

Add the amounts in column (a) and column (b) on line 30. Enter the total in column (c) on line 31.

## Total Subtraction Allowed for the Taxable Year

### Line 32 -

Add lines 26 and 31., page 2, line C15; Form 140PY, page 2, line D33; or Form 140NR Enter the total. Individuals also enter this amount on Form 140, page 2, line D27.

Estates or trusts filing an Arizona Form 141, also enter this amount on Form 141, line 11f.

Partnerships filing Arizona Form 165, also enter this amount on Arizona Form 165, page 2, Schedule B, line B4.

Corporations filing Arizona Form 120, also enter this amount on Arizona Form 120, page 2, Schedule B, line B8.

## Part II: Credit Computation

**NOTE:** *You can now take both the credit and the subtraction for the same alternative fuel vehicle.*

For taxable years beginning from and after December 31, 1993, and before January 1, 2002, Arizona law allows a credit for alternative fuel vehicles. For taxable years beginning from and after December 31, 1997, and before January 1, 2002, Arizona law allows a credit for constructing or operating alternative fuel fueling stations.

You may take a credit for purchasing or leasing a new alternative fuel vehicle for use in Arizona. The credit for leased vehicles is only allowable for leases originating in taxable year 1997 or subsequent years. The lease must be for a period of at least three years in order to qualify for the credit.

You may take a credit for converting a conventional fuel vehicle to operate as an alternative fuel vehicle for use in Arizona.

You may take a credit for constructing or operating an alternative fuel fueling station in Arizona. The credit for constructing or operating a refueling station is available for taxable years beginning after December 31, 1997, and before January 1, 2002.

The total credit is the sum of the amounts allowed as a credit for each item.

If you have questions about whether your vehicle meets the criteria specified on page 1 of these instructions, contact the manufacturer of your vehicle.

If the allowable credit exceeds the income tax due, you may carry the credit forward to the next five consecutive taxable years as a credit against subsequent years' income tax liability.

To figure your credit, complete Part II, lines 1 through 45.

## Credit for Purchasing or Leasing a New Alternative Fuel Vehicle

### Lines 1 through 4 -

Use lines 1 through 4 to figure your credit for purchasing or leasing a bi-fuel alternative fuel vehicle. A bi-fuel vehicle is a vehicle that is capable of operating on both gasoline or an alternative fuel but does not include a vehicle that is capable of operating on a mixture of two or more fuel types.

#### Line 1 -

Enter the number of new bi-fuel alternative fuel vehicles you purchased or began leasing during the taxable year.

#### Line 2 -

Multiply the amount on line 1 by \$1,000. Enter the result.

#### Line 3 -

**NOTE:** *Before you can complete line 3, you must complete Part III of Form 313.*

Before you can figure your credit for any single vehicle, you must also figure your subtraction for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine what amount to enter on line 3. Enter the amount unallowable from Part III, line 6.

#### Line 4 -

Subtract line 3 from line 2. Enter the result.

### Lines 5 through 8 -

Use lines 5 through 8 to figure your credit for purchasing or leasing a dedicated operation alternative fuel vehicle. A dedicated operation vehicle is a vehicle that is capable of operating only on a single alternative fuel.

#### Line 5 -

Enter the number of new dedicated operation alternative fuel vehicles you purchased or began leasing during the taxable year.

#### Line 6 -

Multiply the amount on line 5 by \$2,000. Enter the result.

#### Line 7 -

**NOTE:** *Before you can complete line 7, you must complete Part III of Form 313.*

Before you can figure your credit for any single vehicle, you must also figure your subtraction for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III

of Form 313 to determine what amount to enter on line 7. Enter the amount unallowable from Part III, line 6.

### Line 8 -

Subtract line 7 from line 6. Enter the result.

## Credit for Converting a Conventional Vehicle to Operate as an Alternative Fuel Vehicle

### Lines 9 through 12 -

Use lines 9 through 12 to figure your credit for converting you conventional vehicle to operate as a bi-fuel alternative fuel vehicle. A bi-fuel vehicle is a vehicle that is capable of operating on both gasoline or an alternative fuel but does not include a vehicle that is capable of operating on a mixture of two or more fuel types.

### Line 9 -

Enter the number of conventional fuel vehicles converted to operate as bi-fuel alternative fuel vehicles during the taxable year.

### Line 10 -

Multiply the amount on line 9 by \$1,000. Enter the result.

### Line 11 -

**NOTE:** Before you can complete line 11, you must complete Part III of Form 313.

Before you can figure your credit for any single vehicle, you must also figure your subtraction for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine what amount to enter on line 11. Enter the amount unallowable from Part III, line 12.

### Line 12 -

Subtract line 11 from line 10. Enter the result.

### Lines 13 through 16 -

Use lines 13 through 16 to figure your credit for converting you conventional vehicle to operate as a dedicated operation alternative fuel vehicle. A dedicated operation vehicle is a vehicle that is capable of operating only on a single alternative fuel.

### Line 13 -

Enter the number of conventional fuel vehicles converted to operate as dedicated operation alternative fuel vehicles during the taxable year.

### Line 14 -

Multiply the amount on line 13 by \$2,000. Enter the result.

### Line 15

**NOTE:** Before you can complete line 15, you must complete Part III of Form 313.

Before you can figure your credit for any single vehicle, you must also figure your subtraction for that same vehicle. The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine what amount to enter on line 15. Enter the amount unallowable from Part III, line 12.

### Line 16

Subtract line 15 from line 14. Enter the result.

## Credit for Constructing an Alternative Fuel Fueling Station

### Line 17 -

Enter the number of alternative fuel fueling stations that you constructed during the taxable year that meet all of the following criteria:

1. The station is capable of dispensing an alternative fuel to an alternative fuel vehicle.
2. The station is accessible to the public.

or

The station dispenses a renewable fuel.

### Line 18 -

Enter the amount of construction costs incurred during the taxable year for each station.

### Line 19 -

Multiply the amount in each column of line 18 by .50. Enter the result.

### Line 20 -

Enter the lesser of the amount on line 19 or \$400,000.

### Line 21 -

Add the amounts on line 20 for each column. Enter the total.

### Line 22 -

If you completed additional schedules because you are taking a credit for more than four alternative fuel fueling stations for which you incurred construction costs, enter the aggregate line 21 totals from your additional schedules.

### Line 23 -

Add lines 21 and 22. Enter the total.

**Line 24 -**

Enter the number of alternative fuel fueling stations that you constructed during the taxable year that meet all of the following criteria:

1. The station is capable of dispensing an alternative fuel to an alternative fuel vehicle.
2. The station is not accessible to the public and the station does not dispense a renewable fuel.

If you are taking a credit for more than four alternative fuel delivery systems, complete additional schedules.

**Line 25 -**

Enter the amount of construction costs incurred during the taxable year for each station.

**Line 26 -**

Multiply the amount in each column of line 25 by .25. Enter the result.

**Line 27 -**

Enter the lesser of the amount on line 26 or \$200,000.

**Line 28 -**

Add the amounts on line 27 for each column. Enter the total.

**Line 29 -**

If you completed additional schedules because you are taking a credit for more than four alternative fuel fueling stations for which you incurred construction costs, enter the aggregate line 28 totals from your additional schedules.

**Line 30 -**

Add lines 28 and 29. Enter the total.

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**Credit for Operating an Alternative Fuel Fueling Station**


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**Line 31 -**

Enter the number of alternative fuel fueling stations that you operated during the taxable year that meet all of the following criteria:

1. The station is capable of dispensing an alternative fuel to an alternative fuel vehicle.
2. The station is accessible to the public.

or

The station dispenses a renewable fuel.

**Line 32 -**

Enter the amount of costs incurred in operating each alternative fuel fueling station during the taxable year.

**Line 33 -**

Multiply the amount in each column of line 32 by .50. Enter the result.

**Line 34 -**

Enter the lesser of the amount on line 33 or \$400,000.

**Line 35 -**

Add the amounts on line 34 for each column. Enter the total.

**Line 36 -**

If you completed additional schedules because you are taking a credit for more than four alternative fueling stations that you operated during the taxable year, enter the aggregate line 35 totals from your additional schedules.

**Line 37 -**

Add lines 35 and 36. Enter the total.

**Line 38 -**

Enter the number of alternative fuel fueling stations that you operated during the taxable year that meet all of the following criteria:

1. The station is capable of dispensing an alternative fuel to an alternative fuel vehicle.
2. The station is not accessible to the public and the station does not dispense a renewable fuel.

If you are taking a credit for more than four alternative fueling stations, complete additional schedules.

**Line 39 -**

Enter the amount of costs incurred in operating each alternative fuel fueling station during the taxable year.

**Line 40 -**

Multiply the amount in each column of line 39 by .25. Enter the result.

**Line 41 -**

Enter the lesser of the amount on line 40 or \$200,000.

**Line 42 -**

Add the amounts on line 41 for each column. Enter the total.

**Line 43 -**

If you completed additional schedules because you are taking a credit for more than four alternative fueling stations that you operated during the taxable year, enter the aggregate line 42 totals from your additional schedules.

**Line 44 -**

Add lines 42 and 43. Enter the total.

**Line 45 - Total Credit**

Add the amount on Part II, lines 4, 8, 12, 16, 23, 30, 37, and 44. Enter the total.

**Lines 46 through 49 - S Corporations Only****Line 46 - S Corporation Election**

All S corporations must complete line 46. The S corporation must make an irrevocable election to either claim the credit or pass the credit through to its shareholders. One of the officers of the S corporation who is also a signatory to the Arizona Form 120S must sign this election.

**Lines 47 through 49 -**

If the S corporation elects to pass the credit through to its shareholders, it must also complete lines 47 through 49.

An S corporation must complete the Form 313 through line 46. Then, complete lines 47 through 49 separately for each shareholder. The S corporation must furnish each shareholder with a copy of the completed Form 313.

Each shareholder must complete lines 53 through 60.

**Lines 50 through 52 - Partnerships Only**

A partnership must complete the Form 313 through line 45. Then, complete lines 50 through 52 separately for each partner. The partnership must furnish each partner with a copy of the completed Form 313.

Each partner must complete lines 53 through 60.

**Lines 53 through 60 - All taxpayers claiming the credit****Lines 53 through 57 - Available Credit Carryover**

The taxpayer should complete lines 53 through 57 only if the credit for a prior year(s) exceeded the taxpayer's Arizona income tax liability for that prior year.

**Line 53 -**

In columns (a) through (e), enter the taxable year(s) from which the credit is carried forward.

**Line 54 -**

In columns (a) through (e), enter the amount of the original tax credit earned for that taxable year.

**Line 55 -**

In columns (a) through (e), enter the amount of the tax credit for that taxable year which you have previously used.

**Line 56 -**

In columns (a) through (e), subtract the amount on line 55 from the amount on line 54. Enter the result.

**Line 57 -**

Add the amounts in columns (a) through (e) on line 56. Enter the total on line 57, column (f).

**Lines 58 through 60 - Total Available Credit****Line 58 -**

Individuals and corporations (including S corporations that elected to claim the credit), enter the amount from line 45. S corporation shareholders, enter the amount from line 49. Partners of a partnership, enter the amount from line 52.

**Line 59 -**

Enter the amount from line 57, column (f).

**Line 60 -**

Add lines 58 and 59. Enter the total.

Individuals, also enter the total available credit on Arizona Form 301, Part I, line 9.

Corporations (including S corporations that elected to take the credit), also enter the total available credit on Arizona Form 300, Part I, line 9.

**Part III: Alternative Fuel Vehicle Subtraction or Credit Disallowance Computation**

The total subtraction, credit, and any grant that you received from the Arizona Department of Commerce, Energy Office for a single vehicle cannot exceed the amount of the incremental cost of the alternative fuel vehicle compared to the same vehicle using conventional fuel. Complete Part III of Form 313 to determine whether you must reduce the subtraction or the credit.

**Line 1 -**

Enter the amount from Part I, line 6.

**Line 2 -**

Enter the amount of any grant received from the Arizona Department of Commerce for each vehicle.

**Line 3 -**

Enter the amount from Part II, line 2 or line 6.

**Line 4 -**

Add lines 1, 2, and 3.

**Line 5 -**

Enter the incremental cost difference of the alternative fuel vehicle over and above the cost of the same vehicle using conventional fuel.



**Line 6 -**

Compare the amount on line 4 to the amount on line 5. If line 4 is less than line 5, enter the number zero on Form 313, Part I, line 7, and Part II, line 3 or line 7. If the amount on line 4 is more than the amount on line 5, you must reduce either the subtraction or the credit by that difference. If you are reducing your subtraction, also enter the amount on line 6, on Part I, line 7. If you are reducing your credit, add the amount in each column on line 6, and enter the total on Part II, line 3 or line 7.

**Line 7 -**

Enter the amount from Part I, line 15.

**Line 8 -**

Enter the amount of any grant received from the Arizona Department of Commerce for each vehicle.

**Line 9 -**

Enter the amount from Part II, line 10 or line 14.

**Line 10 -**

Add lines 7, 8, and 9.

**Line 11 -**

Enter the incremental cost difference of the alternative fuel vehicle over and above the cost of the same vehicle using conventional fuel.

**Line 12 -**

Compare the amount on line 10 to the amount on line 11. If line 10 is less than line 11, enter the number zero on Form 313, Part I, line 16, and Part II, line 11 or line 15. If the amount on line 10 is more than the amount on line 11, you must reduce either the subtraction or the credit by that difference. If you are reducing your subtraction, also enter the amount on line 12, on Part I, line 16. If you are reducing your credit, add the amount in each column on line 12, and enter the total on Part II, line 11 or line 15.